

KEY DETERMINANT FACTORS TOWARDS K-ECONOMY IN KEDAH

**A Thesis submitted to the Faculty of Information Technology in
partial fulfillment of the requirement for the degree Master of
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ABSTRAK

Pengetahuan dan kemahiran merupakan aset terbesar untuk membentuk kekayaan di dalam era informasi. Oleh itu, peralihan ekonomi berasaskan pengeluaran ke arah ekonomi berasaskan pengetahuan adalah satu kemestian di mana ia menjanjikan nilai ditambah yang tinggi untuk sesebuah negara. Malaysia kini, adalah sebuah negara yang sedang mengalami perubahan ke arah ekenomi baru ini. Oleh itu, usaha Negeri Kedah dilihat sebagai salah satu penyumbang terbesar dalam merealisasikan Wawasan 2020. Dengan ini, Kedah telah merancang masa depan yang gemilang menerusi wawasan Kedah Maju 2010.

Konsep k-ekonomi telah dinyatakan sebagai salah satu elemen penting dalam teras strategik pembangunan yang mana ia dikenalpasti sebagai pemacu pencapaian matlamat Kedah. Walaubagaimanapun, konsep ekonomi baru ini masih lagi di peringkat awal dalam usaha pembangunannya. Oleh itu, kajian ini dilakukan untuk mengkaji perkembangan semasa perjalanan strategi-strategi pembangunan dalam Kedah Maju 2010. Berdasarkan beberapa kekangan penyelidikan, kajian ini hanya dapat mengenalpasti beberapa inisiatif dalam pembentukan ekonomi baru ini. Inisiatif ini menyediakan strategi-strategi dan pelan tindakan yang merangkumi pembangunan pekerja yang berpengetahuan, rangkaian, e-kerajaan, e-ekonomi, dan keseimbangan digital.

ABSTRACT

Knowledge and people skills accounts as the biggest assets to create wealth in this Information Age. Therefore, there is a crucial need to leapfrog from p-economy to k-economy as it promises high value added of production. As of Malaysia is at the critical moment and turning point of transition towards a k-economy country, Kedah seems to be one of the contributor to realize the Vision 2020. Therefore, Kedah initiated Kedah Maju 2010 vision.

The concept of k-economy is stated as one of elements in Kedah core development strategies. However, the concept is still at defining stage in its development efforts. Therefore, this work reveals to study the current progress of Kedah Maju 2010 and thus, several initiatives are recommended due to its need to incorporate knowledge and to be competitive globally. The initiative maps strategies and action plans for leading Kedah in this new economy. It covers five thrust areas such as knowledge worker development, connectivity, electronic governance, electronic economy, and digital equity. In this regards, the initiative is then will be a reference to facilitate the state to venture in the k-economy.

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TABLE OF CONTENTS

	Page
PERMISSION TO USE	i
ABSTRAK	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ABBREVIATIONS	xii
CHAPTER 1: INTRODUCTION	1
1.1 Introduction	1
1.1.1 Malaysia Background	2
1.1.2 Kedah Background	4
1.1.3 Definition of K-economy	5
1.2 Problem Statement	7
1.3 Research Objective	10
1.4 Research Question	10
1.5 Significance of The Study	11
1.6 Scope	11
1.7 Organization of The Report	12

CHAPTER 2: LITERATURE REVIEW	13
2.1 Introduction	13
2.2 K-economy Characteristics	13
2.3 Malaysian K-economy	15
2.3.1 Strategic Thrust One	16
2.3.1.1 Education	16
2.3.1.2 Training and retraining	21
2.3.1.3 Global talent	23
2.3.2 Strategic Thrust Two	23
2.3.2.1 Establish a Nation K-based Economy Development Council (NKDC)	24
2.3.2.2 Establish State K-based Economy Development Committee (SKDC)	26
2.3.2.3 Strengthen the Economic Plan Unit (EPU)	27
2.3.2.4 Set the Economic Plan Unit (EPU) as a secretariat to the NKDC	28
2.3.3 Strategic Thrust Three	28
2.3.4 Strategic Thrust Four	31
2.3.4.1 Services and k-based industries	31
2.3.4.2 Infostructure	32
2.3.4.3 Technology capacity and capability	32
2.3.4.4 Human capital for science and technology	33

2.3.5	Strategic Thrust Five	33
2.3.6	Strategic Thrust Six	35
2.3.7	Strategic Thrust Seven	36
2.4	Finnish K-economy	37
2.5	Conclusion	41
CHAPTER 3: METHODOLOGY		42
3.1	Introduction	42
3.2	Phase 1: Statement of the problem	43
3.3	Phase 2: Identification of information needed to solve the problem	43
3.4	Phase 3: Selection or development of instruments for gathering the information	44
3.5	Phase 4: Identification of target population and determination of sampling procedure	45
3.6	Phase 5: Design of procedure for information collection	47
3.7	Phase 6: Collection of information	48
3.8	Phase 7: Analysis of information	48
3.9	Phase 8: Generalizations and/or predictions	49
3.10	Documentation	49
3.11	Conclusion	49
CHAPTER 4: RESULTS AND FINDINGS		51
4.1	Introduction	51

4.2	Current status	51
4.2.1	Education	51
4.2.2	Training	57
4.2.3	Public Institution	63
4.2.4	Infostructure	65
4.2.5	Science and technology	67
4.3	Discussion	76
4.4	Conclusion	80
CHAPTER 5: RECOMMENDATION		81
5.1	Introduction	81
5.2	The Needs To Venture In K-Economy	81
5.3	Suggestion On Strategic K-Economy Initiatives	82
5.3.1	Knowledge Worker Development	82
5.3.1.1	Action Plan 1: Upgrade knowledge and skills	82
5.3.1.2	Action Plan 2: Promoting e-learning and lifelong learning	84
5.3.1.3	Action Plan 3: Add value to e-learning initiative in school	86
5.3.2	Connectivity	86
5.3.2.1	Action Plan 1: Upgrade connectivity to internationally competitive level	87
5.3.2.2	Action Plan 2: Develop Kedah into	88

	a full-fledged intelligent state	
5.3.3	Electronic Governance	89
5.3.3.1	Action Plan 1: Enhancement fully networked e-Government	89
5.3.3.2	Action Plan 2: Optimize the use of e-Government Project	91
5.3.4	Electronic Economy	92
5.3.4.1	Action Plan 1: Increase the use of electronic business system in all sectors	92
5.3.4.2	Action Plan 2: Intensify the Manufacturing sector	94
5.3.4.3	Action Plan 3: Promote the development of Call Centers and Back Office Services	95
5.3.5	Digital Equity	96
5.3.5.1	Action Plan 1: Bridging knowledge and digital services	96
5.4	Conclusion	98
	CHAPTER 6: CONCLUSION	99
6.1	Introduction	99
6.2	Problems and Limitations	99
6.3	Recommendations for Future Works	100
6.4	Conclusion	101
	REFERENCES	102
	APPENDICES	107

LIST OF TABLES

Table 2.1: Ranking of Infostructure	29
Table 2.2: Ranking of Financing the K-Base Economy	30
Table 4.1: Education	52
Table 4.2: Number of Students in Science and Arts Stream	53
Table 4.3: Number of Kedah Students in Institute of Higher Learning Session 2001/2002, 2002/2003, and 2003/2004	54
Table 4.4: Internet Dial-Up Subscriptions 2003	65
Table 4.5: Fixed Line Penetration Rate 2003	66
Table 4.6: ICT Application Used by State and Other Government Department or Agencies	68
Table 4.7: ICT Applications in the Development Process	71
Table 4.8: Approved ICT Projects	72
Table 4.9: ICT Project at Planning Stage	73

LIST OF FIGURES

Figure 2.1: Malaysia: Private and Govenrment Fixed Capital Formation (% of Gross Domestic Product), 1970 – 2001	34
Figure 2.2: Malaysia: Private and Government Fixed Capital Formation (% of Total Gross Fixed Capital Formation), 1970 – 2001	34
Figure 4.1: Statistic of ADTEC Student Intake	60
Figure 4.2: Statistic of Students Graduated in Diploma of Technology	60
Figure 4.3: Percentage Distribution of Subscribers by State and Corresponding Penetration Rates	66

LIST OF ABBREVIATIONS

k-economy	Knowledge-based economy
NITC	National IT Council
ICT	Information and Communication Technology
p-economy	Production-based economy
NITA	National IT Agenda
GDP	Gross Domestic Product
UUM	Universiti Utara Malaysia
ISP	Information Strategic Planning
SKDC	State K-Based Economy Development Committee
KMS	Knowledge Management System
OEDC	Organisation for Economic Cooperation and Development
ISIS	Institute of Strategic and International Studies
SI1	Strategic Initiative One
e-book	Electronic book
USM	Universiti Sains Malaysia
WITS	Worker's ICT Training Scheme
PSMB	Pembangunan Sumber Manusia Berhad
HRDF	Human Resource Development Fund
NKDC	National K-Based Economy Development Council
CDBC	Central Business Data Corporation
EPU	Economic Plan Unit
e-Government	Electronic Government
GOE	Generic Office Environment
HRMIS	Human Resource Management Information System
e-Services	Electronic Delivery Services of Driver and Vehicle

	Registration
EG – AG	Electronic Government – Accountant General
MIU	Mobile Internet Unit
IER	Institute for Educational Research
ESF	European Social Fund
UPEN	Unit Perancang Ekonomi Negeri Kedah
PTMK	Pusat Teknologi Maklumat Kedah
IHL	Institute of Higher Learning
ADTEC	Pusat Latihan Tinggi Kedah
IKM	Institut Kemahiran MARA
KISMEC	Kedah Industrial Skills and Management Centre
MSI	Malaysian Spanish Institute
MARA	Majlis Amanah Rakyat
LAN	Local Area Network
WAN	Wide Area Network
IPVPN	Internet Protocol Virtual Private Network
RMK9	Ninth Malaysia Plan
SMI	Small and Medium Industries
SMASY	Smart Masyarakat Project
PID	Pusat Internet Desa

CHAPTER 1

INTRODUCTION

1.1 Introduction

Nowadays, knowledge is becoming more and more prominent to the society as well as to the world. Knowledge is identified as a main contributor to find solutions for every complicated problem that human faces, and thus, it enables technological innovations and creative exploitation of new markets as well as the development of new product and services (Cheng, 2001). Thus, the concept of a knowledge-based economy (k-economy) has spread out rapidly to almost all economic activities in the world. According to Amat Taap (2001), the concept of a k-economy develops gradually around knowledge and information as the important contributors to the economic growth and development.

The need to shift from p-economy to k-economy is crucial in this era of technology. Seethraman, Hadi Helmi, and Saravanan (2002) cited Drucker as

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